PRESERVED

App. F. IX-4

Previous References 1934.5 (Jrc)

File No. 288-34
Serial Nos. 1, 3, 4
1-10, 11

Later References.
Ire 184-36 (1, 2, 4 41)

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. Three

Part B for June 35

SUBJECT.

Establishment of a coffee curing house at Chickmagalur

WD 01965—GPB—15,000—7-7-34

12

Establishment of a Coffee Curing House at Chikmagalur

General and Revenue Secretariat. File No. 288 of 1934. [App. F. III-2

From the Director of Le.
Letter No. C/-Sns 154 - 22.6
Forward copy of letter dt 14.3.34 received from the D.C. Kadur Dt. Regarding the establishment of a Coffee Curing House at Chikmagalur & Sorts Mat the request of the Planters for help & the formation of a Company for the purpose deserves consideration
Kind refce is invited to the Report of the Committee drawn up in regard to the proposed scheme for opening a curing house for Coffee at Chikmagalur This scheme is at the instance of the Indian Planters
(2) The details of the scheme are given in paras 7 & 8 of the report submitted by the Committee
The help required from Govt is their Subscription to the share capital
The proposed Capital of the scheme of 2000 shares @ Rs 100 or 4000 shares @ Rs 50) is 2,00000 of which only 1,00000 will be issued the balance being called for when necessary Half of the Share capital to be Subscribed by the Indian Coffee Planters & the Govt & the Bank of Mysr will be requested to find the balance
This is the help required by Govt

NOTE—Contn. Sheet.

Coffee curing House at Chikmagalur

4969

File No. 288 of 1934

General and Revenue Secretariat

for the Scheme.

(It may be noted that Mr Mayne has also applied for help for starting similar Houses in Mysore city. The President Mysore City Municipal Council has written that he has not heard from the Trade Comr in the matter of the help required by the European Planters in the matter. This file has been subd separately.)

(3) It is for consideration if the proposal of the Indian Planters to start a House for Coffee curing at Chikmagalur may be agreed to the Bd of Ind for their opinion. Subd for orders.

by 15/35 MVP

(4) The help required from Govt is two taking up of shares along with the Mysore Bank to cover up the deficiency in the subscription by the Planters, the Planters are to take up rupees three ½ lakhs nos of shares. Any [illegible] shares are to be issued for subscription of shares of the Govt & the Bank will not be more than 50000 Rs, any ½ of this be called up at once. The Mysore Bank

Coffee curing works at Chikmagalur
1964

3

General and Revenue Secretariat. File No. 288 of 193 .4 [App. F: III-2

It is not known if the Bombay Mysore will agree to take up a portion of the issue.

(5) The financial prospects of such a Co should it be started, requires to be investigated before any steps are taken to take up any shares. Should it be decided to take up a portion of the issue it would be better to fix the limit up to which Govt will be prepared to subscribe, with a proviso as to the minimum return on the capital or at least with a condition that the profits of the concern after interest on Govt capital shall be a first charge on the profits earned by the Co.

(6) Govt may have approached for similar concessions & in the connection with the starting of a similar factory at Mysore by Mr Morgan. Two Coys in the field for the same purpose may not be desirable. From the reports now received it is seen that Chikmagalur is a more convenient centre for the location of the business than Mysore

Dewey 4/5

(7) The matter might now be discussed

6575
4/5/35

NOTE—Contn. Sheet.

curing works at Chinaglan

File No. 288 of 193 .5 General and Revenue Secretariat

of Agriculture is very interesting. The establishment of a curing works at Chinaglan will not only establish a small industry in the State but will have a bearing in many indirect advantages. It will help to divert the traffic to the railway system of the Guyana State and pass the Guyana Planter from the dominating control of the Manufacturers Curing Bankers. In this view, the idea is worth encouraging by Govt. The proposal to establish a curing works at Guyana need not affect this proposal as it will cater for a different area altogether.

(8) The amount of capital required is as much which could easily be found by the planters themselves but they apparently want the Govt to have a share to give the proposition some prestige and stability. It could therefore be supported if Govt undertake to subscribe the proposed share value about 10,000 Dollars in return for which nominate by Govt

9) I understand that the Bank of Guyana is sympathetic towards the proposal to help in the

Yesterday 17.5.35

10) One difficulty that was always felt is that the curing farms in Manglan

OFFICE OF THE FIRST MEMBER OF COUN 20 MAY 1935 5366

D No 5339
Instd on 22/5/35
with Pr.

Copra curing works at Chuhmaphon

General and Revenue Secretariat. File No. 288 of 193 35 [App. F. III-2

5

adrance money the planters on their crops that unless the new Coy can do the same nothing the crop will continue to be mangelas. This point has not been dealt with in the Mkt Dirs note. The proposal may be referred to the Bd for investigation

by
21/5

Dewan

MW 21.5.
21/5

11) MS
22-5-35

12) by
27/5 MW 23.5.
23/5

(13) Dft Ltr to

Issue
24/5

23/5/35 MS

3 Letter No D.7708 D 30-5-35 To The Dir. Stc States that the proposal may be referred to the Board of Stc for investigation.

From the Secy, Board of Stc, B'kok

D.O Letter no 550 dated 8.6.35 requesting to ~~return back~~ forward the enclosure to D's letter no G-Eng 184/2 dt dated 22.4.35 for

4 necessary action.

(14) The enclosures are flagged "A" for orders to send them to the Secy for necessary action. The Draft Ltr is also submitted for

(15)

24 MAY 1935 GENL & REV. SECTT.

MINY. SECRETARIAT 15 JUNE 1935 DEVELOPMENT BRANCH

TYPING SECTION NOTE—Contn. Sheet 25 JUN. 1935 GENL & REV. SECTT.

Do. Dft
Forwd D/7 2/7/35.

20-6-35 MW

b) 5767 / 1376

I & C File No. 285 of 193 4 | General and Revenue Secretariat

Letter dated the 16th Sept 1935 from the Hony Secy. North Wynaad Indian Planters Association forwarding copy of the resolution of the Association re the establishment of a Coffee curing house at Chickmagalur and requesting to the circumstances mentioned that Govt may take up shares to the extent of Rs 25000/- in the proposed Concern | 6

I Member's orders on the P.W.D

(16) "Do fully with compliment"

This may be acknowledged and an early report may be obtained from the D.C. as to 1) details of the scheme - Specification of plant Capital Cost of machinery + building etc working capital and capacity of plant 2) anticipated operation expenditure and income 3) to what extent and from what distances the works may expect to have coffee sent for curing without also requiring financial accommodation (4) the extent to which local Capital would be forthcoming and the extent of help required from Govt 5) the management of the proposed works and the extent of Govt control."

Dnts K-M 1871/35

"Two draft letters" Dnts M-V 1871/35

Dnts N.M 1871/35

(17) The question of establishing a coffee curing house at Chickmagalur has been referred to the Board of Industries and Commerce for

5767 / 1376

Coffee curing works at Chikmagalur 4

General and Revenue Secretariat. | Ifc File No. 288 of 1934 | [App. F. III-2

investigation after consideration by Govt.

(18) The object of the scheme and the outline have been explained in the note (flag R). It is for orders whether information has to be called for again from the D.C. after the budget. A draft acknowledging the letter for appln. A draft calling for the information is also submitted as directed.

19/9/35 KG 20/9

(19) Secie

7 Letter No. D. 2059 of 23-9-35 to the Secy. North Mysore Indian Planters Association, Chikmagalur

Acknowledges the receipt of their letter.

8 Letter No. D. 2060 of 23-9-35 to the Deputy Comr. Kadur

Calls for information on certain points.

9 From the Deputy Comr, Kadur

Letter No A 6/1231/34-35 dt 13/10

With reference to sl 8 forwards copy of letter dt 3.10.35 from the Vice President Mysore Planters' Assn Chikmagalur furnishing the required information and offers his remarks in regard to the Govt help, necessary to the proposed works

(20) The Dy. Comr suggests that Govt might take 25 000 worth of shares and that 25000 be also given as loan on the security of buildings etc, to start with and that a further sum amount of Rs. 25000 or a loan to that extent granted

NOTE—Contn. Sheet.

7

Coffee curing works at Chikmagalur 8

1871

Ide File No. 288 of 193 4

General and Revenue Secretariat

next year, if the concern works satisfactorily.

(21) The Dy. Com^r is generally agreeable to the proposals of the Vice President of the Ass^n in regard to the management of the Concern.

(22) The question of starting the Coffee curing works at Chikmagalur has been referred to the Dept of Industries & Commerce for investigation. It is for orders if the present communication may be sent to the Director of Ide in continuation of being placed before the ~~Dir~~ ~~Ath~~ ~~Report~~ ~~the~~ Board.

Subd. (Refer para 16)

by KB 23/10/35

(23) The Dy's Com^r's letter dated 13-10-35 (P.W.D.) is for perusal. If appd a copy of the same will be sent to the D^r of H.C. & Secy Bd of Ide

Draft

23/10

2-11-33 Telo

24) Draft Subd.

KR KB 29/10

W Essie 3/11

3005 (1)

Coffee curing works at Chikmagalur

(9)

General and Revenue Secretariat — File No. 208 of 193 4 — [App. F. III—2

Serial No.	
	From the Dy Sec to Govt Letter No 2985 D 6/11 Forwarding copy of the Secs letter (Secret Branch) for being sent to the Secy Bd of I & C for being placed before the Bd. Copy to the Secy Board of I & C No 2986 D 6/11
	GEN. & REV. SECRETARIAT 7/11 DEVELOPMENT BRANCH From the Secy Bd of I & C Letter No 560 D 23.12.35 States that the Scheme was considered by the Trade Commte & Labor Sub Commte of the Bd & forwards copies of their proceedings D. 21.11.35 of the Bd of I & C referring the Scheme back to the Sub Committee for further investigation on the need for financial assistance & the agency for the Sche Subd for perusal KR 4/1/36 Secy to Govt U.O.
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NOTE—Contn Sheet.

WD 03594—GPB—30,000—18-7-35

Sm B 1.2.36

Scheme for the Establishment of a coffee curing work at Chiser

General & Revenue Secretariat.

File No. ~~of 193~~ [App. F. III–2

Serial No.

For orders whether this file may be closed for the present. The case will be worked up after the Sub-Committee submit their recommendations

Secretary Lex. 4.7.36

139/4/37

7.7.36.

Lex. 7.7.36

B 1st Jun 8/7 1/2

GEN. & REVL. SECRETARIAT
12 JULY 1936
DELHI

NOTE—Contn. Sheet.

GENERAL AND REVENUE SECRETARIAT.

( )

NOTES.

File No.

FILE HEADING.

Coffee Curing Works at Chikkamagalur

FROM

The Deputy Commissioner, Kadur District Chikkamagalur

No. A6-1231/34-35 Dated 4. 5. 35 Received 13th May 35

Diary No. ~~25~~ 5339 | Enclos. 1 | Spare copies — | Serial No. ~~2357~~ 2

BRIEF ABSTRACT OF LETTER

Recommends ~~early~~ examination & early establishment of ~~the scheme of est~~ a Coffee Curing Works in Chikkmagalur.

NOTES AND ORDERS.

Subs:—

The D.C submits the report drawn up by the Constituted Committee ~~established~~ to go into the question of establishing a Coffee curing Factory at Chikmagalur and ~~he~~ states that the acceptance & executing of the plan advocated therein will not only improve the conditions of ~~the~~ planters & also enable

P.T.O

NOTES—First Sheet.

WD 02552—GPB—5,000—10-7-30

Chikmagalur becoming one of the important Coffee Centres in Southern India.

He recommends that the scheme be examined by the Dt of I & C & the Dept of Agriculture & the scheme ~~should be~~ carried out early.

Refer on the same subject received from the Dr of I & C are before the Dev Secy & hence for orders to await 20.6.35 29/6 their disposal.

4-9 1/7/35

The original refce on this subject from the Dr of I & C has been submitted for orders.

Dev Secy 29/6

9 I C. 288-34-1

Telegraphic Address:—"INDUSCOM."

GOVERNMENT OF MYSORE.

DEPARTMENT OF INDUSTRIES AND COMMERCE.

In reply please refer to
No. C1-Eng-134/34-35
Encl. Three.

OFFICE OF THE DIRECTOR,
Dated Bangalore, 22nd April 1935

4969

GEN. & REV. SECTT.
24 APR. 1935
DEVELOPMENT BRANCH.

FROM S. Abdul Wajid, Esq., B.A.,
Director of Industries and Commerce in Mysore,
Bangalore (India).

To

M. Venkatanaranappa, Esq., B.A.,
Secretary to the government of Mysore,
Development Department, Bangalore.

SIR,

Refce: Establishment of a Coffee Curing House at Chikmaglur,

I have the honor to forward for the information of Government copy of letter No. A6-1231/34-35 dated the 14th March 1935 received from the Deputy Commissioner, Kadur District, Chikmaglur, with its enclosures regarding the establishmentof a Coffee Curing House at Chikmaglur. I am of opinion that a local Curing House would help our Planters to a large extent. Their request for assistance in floating a company for the purpose deserves consideration.

I have the honor to be,
Sir,
Your most obedient servant,
S. Abdul Wajid.
Director.

(in original
(To be kindly returned)

usc)

2

Copy of letter No. A6-1231/34-35 dated the 14th March 1935 from the Deputy Commissioner, Chikmaglur, to the Director of Industries and Commerce in Mysore, Bangalore.

Coffee Curing Works at Chikmaglur.

I have the honor to forward herewith a copy of letter addressed to the Director of Agriculture in Mysore by the Assistant Director of Agriculture together with a copy of the report giving details of a scheme drawn up by the Committee - constituted to investigate the question of establishing a - - Coffee Curing Factory in Chikmaglur for your information and to request that action may kindly be taken to address Government in the matter of establishing a Coffee Curing Factory in Chikmaglur as suggested therein. The need for a curing factory has been fully explained and the starting of a factory at Chikmaglur will not only provide for a long felt want but also afford scope for Chikmaglur becoming a first rate coffee market in Southern - India.

" COPY "

Abdul Wajid.

Director.

usc)

situated miles away from him. He has no control over the curing process and in some instance he depends upon the firm dispose off his produce at their discretion. However satisfactorily such a scheme might have worked all these years, the present economic situation is such that planters should unite for mutual gain. Times have changed and the planter has to explore all possible channels to save expenditure or obtain increased value for his product.

It has been said and argued that Chikmagalur is unsuitable as a place for curing coffee for the reason that the climate is humid; labour is not available; ready market for liberating --- stocks locally is wanting and that there is no possibility of drawing enough coffee for curing in the factory. In the face of facts, these are to be construed as fictitious and therefore such difficulties as these, can easily be overcome.

Climate.

The climate of Chikmagalur seems to be ideal for curing coffee. Extremes of temperature are not usual. The average annual rainfall is about 36 inches. Sea breeze is not considered necessary for coffee curing. There are over 14 curing houses situated in Mangalore, Tellicherry, Coimbatore, Hunsur and other places. The rainfall in Mangalore is 127 inches, that of Coimbatore 22 inches and Hunsur 40. From the point of view of coffee curing and wherehousing, one must consider the question of humidity rather than the amount of precipitation. Average humidity is understood to be slightly higher in Coimbatore as compared with Mangalore but it is learnt that humidity from November to April is not far different in all these places. Besides, coffee curing is done in the above dry months and the proposed curing factory does not wish to stock coffees during rainy months or deal in 'Monsooned coffees'. Therefore climate does not stand as a barrier for opening a curing facto

REPORT ON THE ESTABLISHMENT OF A COFFEE CURING FACTORY IN CHIKMAGALUR.

Introduction.

The idea of a Planters' Coffee Curing Factory at Chikmagalur is not a new one. Time and again this subject has been broached but with indifferent success. The economic and trade depression of the world in general has not left untouched the economic situation of the coffee industry which is at present unremunerative due to fall in prices. The coffee prices are going down steadily since 1929 and there is no knowing when this downward tendency will arrest itself. Very large or over production in Central and South America, Java, and the extension of cultivation and almost sudden rise of East Africa as a rival to India in the supply of 'mild' coffees is having repercussion on our coffee industry. Therefore, it is expedient to organise a collective and corporate action by all coffee planters to further their interests. A Planters' Coffee Curing Factory is one of such activity purporting to help them in several ways.

The Coffee Market in India differs from outside markets in one important factor. In other large coffee producing countries such as Brazil, Columbia, Java, East Africa etc, plantation coffees are estate cured and find a ready market while such a practice is not prevalent here. Estate cured plantation coffees are not accepted in Indian market. Thus, we are led to depend mainly on curing firms. Coffee curing has been in the hands of a few foreign firms who also deal in large scale exporting to consuming countries which are not directly represented in the markets. Therefore they are in a position to dictate certain terms. There are other local firms also who cure coffees at the coast or in the interior in big coffee centres such as Coimbatore etc but their activities are restricted. We have been led all these years to acquiesce in a trade precedent the result of which has been to oblige the planter to entrust coffee curing to a factory which is situated

favour of information. The undersigned has been asked by the Committee to request him to take up the matter with the Government of Mysore on the question of establishing a curing House in Chikmagalur as early as possible.

=======

C o p y.

P. Ramiah Gowda

For Deputy Commissioner,

14-3-35. Kadur District.

Copy of Memo No. 3275 dated 25th February 1935 from the Assistant Deputy Director of Agriculture i Chikmagalur Circle, to the Deputy Commissioner, Kadur District, forwarding a copy of letter of the same No. and date addressed to the Director of ~~Industries~~ Agriculture in Mysore.

Subject: Coffee curing Factory at Chikmagalur.

In pursuance of the appointment of an Ad Hoc Committee to go in detail over the question of establishing a Coffee curing house at Chikmagalur at the meeting of the Coffee Planters held at Chikmagalur on 21st September 1934 under your Presidency with myself as Convenor of the said Committee, I have the honour to inform you that the said committee, ~~I have the honour to inform you that the said committee, I~~ met at Chikmagalur in my office on 30-9-1934 and 28-8-1935. The following gentlemen were elected as members of this committee:-

Messrs.
D. Meppin, Bynekhan Estate, Chikmagalur.
S.N. Ramanna, Chikmagalur.
Manjanatha Iyer, do
M.Basappa, Manager, Bank of Mysore, Branch, Chikmagalur.
Mysore Krishna Setty, Chikmagalur.
Sylvester Paid, Secretary, ~~Secretary,~~ North Mysore Planters' Associa
G.S. Hameed, Gadabanahally Estate, Chikmagalur and
Dharmapravartha M.L.Nagappa Setti Avl, Chikmagalur.

In the last meeting, all the members excepting Messrs. Hamid and Dharmapravartha Nagappa Setti were present. The question of establishin a curing House at Chikmagalur was discussed and as a result of the deli-berations of the Committee, a scheme of a comprehensive nature (vide enclosed report) has been drawn up.

At a meeting of all the Indian Planters held at Chikmagalur, on the 11th instant, under the Presidency of M.Venkatesa Iyengar, Esq.,M.A Deputy Commissioner, the planters discussed the same question and urged on the urgent necessity of starting a local curing House and also decid that the share amount should not be more than Rs 50/- per share, and tha a share holder should own 50 shares to qualify himself for a place in the Directorate.

In submitting herewith the report and the detailed scheme I have the honour to request you to be good as to take necessary action in the matter.

Copy forwarded, with compliments, to the Deputy Commissioner, Kadur District, Chikmagalur, together with a copy of the report, for favour

6

Labour.

Plentiful supply of labour is required for garbling work etc and nearly 4 to 5 hundred women and boys are daily required for 5 months in the year from December to end of April. Of the 32 villages or more situated within 3 miles of Chikmagalur, a daily labour force of 600 is expected. Some of this labour is drawn to coffee picking work after December and partly to harvesting field crops. The work in the garbling shed being of a simple, unfatiguing nature under shade condition with attractive wages, there is no doubt for drawing a large number of --- labourers for work. It is to be admitted that coffee curing being one of specialisation, requires trained labourers and other workers. The local labour of course takes time to be initiated into the various processes of curing, garbling, grading etc, but as these operations are of a simple nature, there is no doubt about training our people in a very short time. It would be desirable of course to import from outside a few skilled labourers at least for a few years until we can train our own people. There is no dearth for such labour and the importation is not likely to be ~~burdensome~~ unremunerative.

Development of a local coffee market. The greatest of the drawbacks suggested is the absence of a large coffee market in Chikmagalur which could absorb the output from the coffee curing factory. One realises the practical difficulty which this question implies, but it is confidently hoped that Chikmagalur will eventually become one of the first rate coffee markets in South India. Already Chikmagalur is not far removed from the rail head and in these days of fast motor traffic, the significance of this difficulty is easily solved. There is room for the cured coffee being sent down to Bangalore or other places and sold in auctions there if found necessary. The total consumption of coffee in India is estimated about 6000 tons and most of this stock is consumed in the Madras Presidency.

If Chikmagalur is developed into a first rate coffee market by the establishment of a curing factory, the South Indian consumer will save by way of freight as this will be nearer to them than Mangalore by direct route through Mysore railways, which eventually results in the enhancement of railway goods traffic. Apart from port by motor lorries and carts to Mangalore being costlier, it would be more advantageous to the planter to send his cured coffee by rail via Kadur Railway Station which is only 25 miles from Chikmagalur. At present Chikmagalur coffee goes to Mangalore and after it is cured there, it is then sent on to Madras, Coimbatore and other local centres and the planter is unnecessarily bearing transport charges for the bunk which fetches no price. The finest and best coffees are produced in the big estates in close proximity to Chikmagalur, and as our coffees have established a distinctive reputation and marks of their own, it would not, indeed, be ~~any flattery~~ presumptious to say that the merchants who wish to deal with quality coffees must seek after them. Instead of buying them in Mangalore or Coimbatore, merchants and brokers will be induced to go to the very door of the Estate. Through this Chikmagalur is destined to become as a result of the curing factory one of the first class coffee markets in Southern India. In Mangalore, coffee auctions are held twice a week on Wednesday and Saturday and if suitable dates are fixed for auctions at Chikmagalur, it will greatly facilitate those that are in the business including exporting firms to attend auctions here.

Now, the question arises whether it is possible to get over 1000 tons of coffee into the proposed factory for being cured and sold. The proposed curing house offers several attractive facilities and other advantages to the planters and therefore, it is confidently hoped that the planters will rea-

towards such beneficial objects are serious obstacles for ordered progress of our coffee industry. If we act collectively and in unison, we are practically assured of a market at our own door. Planters will have easy access to the factory and being nearer to it, they can take a personal interest in the disposal of their cured coffee. Further, the factory will help to bring about the solidarity of coffee planting interests The resources of the factory may be made use of to serve other interests of coffee industry in the way of buying and supplying manures, estate requirements or to trade in consumable coffee products.

The immediate financial gains to the planters would, of course, be a source of immense relief to them. Transport charges paid on coffees going out to Mangalore is a very heavy drain on the purse of the planter. The relative gain on the cured coffee as compared with the uncured product sent to coast firms from Chikmagalur is approximately Rs.10/- per ton. Therefore, considerable savings can be effected in getting coffees cured near at hand. Competition in curing is absent and the firms engaged in this business by mutual agreement have sought to maintain a high rate of curing charges which really admit of some reduction. Thus, this business has been raised to a status of a monopoly with artificially inflated rates. Besides, as the curing factories are situated very far away from the plantations, the planter has no chance of verifying the 'Outturn' of his coffee and therefore, a curing factory here will enable him to get his coffees cured in his presence.

There is scope for the establishment of a few more curing factories. In a year of bumper crops, all the curing factories are flooded with crop loads and it is a practically impossible to cope up with expeditious curing as the consignments arrive. The three or four principal firms in Mangalore divide among themselves the major part of the crop for curing and two or

thr-

respond readily.

About 8000 tons of coffee is produced in Mysore and nearly 90% of this is produced within a radius of 35 miles from Chikmagalur. At present over 6000 tons of coffee which is mostly plantation coffee, is being sent to coast for curing and sale. The principal curing firms there, are understood to be handling between 2500 to 4000 tons of crop depending upon the production of coffee in South India. Part of the Native Coffee of large holdings and the produce of small holders is dealt with by the planter himself on the estate or sometimes got cured (unhusked) in the local mills at Chikmagalur. It is estimated that nearly 700 tons of Native coffee come to the mills here for curing a this represents the produce of mostly of the small holding[redacted] There are over 1100 coffee holdings of an area of 25 acres a[redacted] upwards including about 130 European managed and owned esta[redacted] The distribution of the shares of this concern as widely as p[redacted] ble to include a very large number of planters will undoubted[redacted] tend to the stability and success of this undertaking and en[redacted] sures a steady supply of coffee to the works. - Therefore, n[redacted] supply of coffee for curing can be safely expected.

Objects of the proposed Curing Factory.

The primary object with which the Curing Factor[redacted] is proposed to be started is to develop a coffee market near[redacted] to the producing centre in Chikmagalur. For example- in the[redacted] early days of coffee enterprise, Kenya was exporting all her[redacted] coffees to London and other continental markets for sale. now after her enormous increase of production, she has cre[redacted] at her own door in Nairobi a new world market with public sales where the different qualities are judged by London and where importing firms in Europe and the United St[redacted] represented. Lack of initiative and apathy of our

three of these are reported to be handling from 2500 to [illegible] annually. The advantages of securing favourable prices are often frustrated owing to the fact that the consignment cannot be --- handled and cured in time for auction sales when high prices are ruling. The prevention of congestion is a point in favour of opening a new curing house which will, to a great extent, expedite quick curing and sale.

Another great advantage which this factory would confer on planters is that it enables him to have personal touch with marketing conditions. At present, coffees are sold in Bangalore in the absence of the producer. In the majority of cases, business is done for the planter by the Manager of the curing house at his discretion and risk. This is so because the planters themselves have to play the part of both sellers and buyers. --- Approval of offers in several cases are delayed by the --- time through which they are taken out in consideration of the current fluctuations in prices, sudden rules are brought to bear and many an early sale cancelled. The planter consults his agent in the sale room at auction times and [illegible] being very close to it get all planters, the advantage of local curing house is --- considerable. Knowing his market to a nicety, he can liberate his stocks to his own advantage or to [illegible] have the great satisfaction to know that he has realised a fair price for his commodity. The smaller planters who are in the habit of one money lender by dint of competitive rates are compelled to surrender their produce for unsatisfactory price to others [illegible]. Local sales [illegible] market in Bangalore will be in a position to publish news of the current economy and the day to day prices for the benefit of all interested. Apart from these advantages claims for the proposed curing house in Chikmagalur, it offers to employ a large number of labourers at a time when other employment is scarce.

The next question of importance is to consider the

[illegible]

the proposed factory. Rough estimates are furnished herewith showing capital required, recurring expenditure and receipts of The estimate will show that in order to work the factory at a remunerative basis, a minimum capacity of 1000 ton is essentia It is also seen that the profits are proportional to the total output. A larger unit- say 1500 tons is a more profitable u profit of 12. to 23% is expected on an output of 1000 t 6 tons respectively. (Vide Statement) There is no appreciable difference in the capital investment on machinery as between a 1500 ton unit and 1000 tons, except that in the former case, great amount of godow space, drying yard and some extra staff are required. The cap city of a 1000 ton unit can be increased to 1500 tons (output) by working it overtime as is being done by some of the curi factories. It should be noted that as the working season limited to only a few months year, and as the permanent staff remunerated for the 12 months of the year, an output of 1000 t and over should be aimed to work the factory successfully and profitably.

A outline of the scheme proposed in connection with the establishment of a Coffee Curing Factory in Shimoga Dist is furnished below to facilitate the issue of a prospectus.

1) A Coffee Curing Factory be opened as early as possible in or near Shimoga in view of the advantages and other ad jects discussed above.

2) The concern may be called the "Tyarna Planters Coffee Curing Works" Ltd., Shimoga.

3) An authorised capital of Rs.2,00,000, of which only Rs. 1,00,000 be issued for subscription and the balance to be called for whenever found necessary.

4) It shall be run on a limited liability basis.

5) The working capital of Rs.1,00,000 be raised by making subscriptions to shares to be floated hereinafter.

6) 2000 shares of Rs.100/- each or 4000 shares of Rs.50/- each be issued for subscription and only 50% of the share value in the first instance is to be collected on different calls.

7) Not less than half of the capital required is to be contributed by the planters and for the balance, the Government of Mysore and the Bank of Mysore, Ltd., be requested to subscribe to the share capital and thus help to stimulate the local --- industry.

8) The Company will be under the management of a Board of Directors consisting of 9 members of whom two will be the nominees of the Government and one of the Bank of Mysore, Ltd., in the event of their holding shares.

9) The qualification of a Director other than a Director appointed by the Government of Mysore and the Bank of Mysore, shall be the holding of 50 shares.

The Company's memorandum of association should contain the following objects among other things.-

a) To receive cleaned or uncleaned coffee for curing and sale either at Chikmagalur or in any other coffee market including foreign markets.

b) To carry on propaganda in favour of coffee consumption and to sell roasted coffee either whole or in a powdered form; to open branches or appoint agents in and outside the Mysore State to --- further the interest of this concern.

c) To acquire land, personal estate, buildings, plants and such other machinery.

d) To carry on any other business whether of coffee products or in dealing with fertilisers for the sale to planters and to import such fertilisers, machinery and such other estate requisites.

e) The Company should have power to borrow money or to lend money on crop hypothecation or in such other manner the Directors may think fit.

f) The Company should have power to increase or reduce its

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its capital.

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Sd/- K. H. Sreenivasan

Assistant Director.
(Convenor).

Chikmagalur,
26-2-1935.

THE MYSORE PLANTERS COFFEE CURING WORKS, LTD., CHIKMAGALUR.

Estimates of Capital Investment, Expenditure and Income.

I. CAPITAL INVESTMENT.

(a) Machinery.-

Round Pesler	Rs. 6,000	
One small coffee Huller	1,200	
Coffee Grader	2,000	
Aspirator to remove husk	1,600	
Coffee polisher and cleaner	7,000	
Preparatory machine for removing stone etc. from coffee	3,000	
Shafting & belting foundation	5,000	
Electric Motor 50 H.P.	5,000	
Winnower & Elevator ...	1,700	
Rs.	31,500	Rs.31,500

b) BUILDINGS, SHEDS ETC.

Drying ground.- To dry 60 tons at a time- 43200 Sq.Ft.	10,800	
Machinery Section- Curing shed etc, of zinc sheet roofing with pillars only (100 X 50 X 25 sq.ft.)	7,500	
Carbling shed- 300'X20'X20' Zinc roofing	9,000	
Godowns- (a) To store coffee received 14000 bags or 300'X20'X10'	12,000	
b) To store cleaned coffee 180 X 20 X 15.	7,200	
Office Building	2,500	
Manager's quarters, compound wall etc.	4,500	
Value of land- 10 acres	500	
Furniture and Office equipment	2,000	
Cost of miscellaneous articles, weighing balances etc.	1,000	
Rs.	57,000	57,000
		88,500
c) Reserve for gunny bags. cart hire etc.	11,500	11,500
Capital Investment.- Grand Total. Rs.		1,00,000

II. ESTABLISHMENT SCHEDULE.-

Management and Office Section.

Manager 1 X 250 X 12	3,000	
Assistant Manager 1 X 100 X 12.	1,200	
Head Clerk 1 X 50 X 12	600	
Typist 1 X 30 X 12	360	
2 Clerks 1 X 30 X 12	360	
1 X 25 X 12	300	